

State of Washington Decision Package

Agency: 310 Department of Corrections
Decision Package Code/Title: 8E Interagency Rate Changes

Budget Period: 2007-2009

Budget Level: M2 – Inflation and Other Rate Changes

Recommendation Summary Text:

The Department requests resources to reimburse Washington state agency service providers for rate and utilization increases for direct services.

Agency Total

<u>Fiscal Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$1,568,000	\$1,568,000	\$3,136,000
Staffing			<u>Annual</u>
FTEs	<u>FY 2008</u> N/A	<u>FY 2009</u> N/A	<u>Average</u> N/A

Program 600-Interagency Services

<u>Fiscal Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$1,568,000	\$1,568,000	\$3,136,000
Staffing			<u>Annual</u>
FTEs	<u>FY 2008</u> N/A	<u>FY 2009</u> N/A	<u>Average</u> N/A

Package Description

The Department receives direct services from other Washington state agencies for activities shared by most state agencies. Costs for these services and activities are based on utilization and a standardized rate calculated by the service provider. The Department requests additional resources to reimburse the following agencies for rate and/or utilization increases:

Department of General Administration (GA), \$70,000:

Campus Mail: The Department of General Administration has implemented a four percent increase for a new surcharge for mail services billed to Program 600 - Interagency Payments. The Department is requesting funds to accommodate this rate increase.

Yearly Funding:	\$301,000
Estimated Fiscal Year 2008 expenditures:	\$336,000
Yearly Shortfall:	\$ 35,000
Estimated Biennial Shortfall:	\$ 70,000

The Office of the Attorney General (AG), \$386,000:

The Department has contracted with the Attorney General's (AG's) Office for a dedicated attorney for the 2007-2009 Biennium. There are several factors that lead to the mutually agreed contract:

- The complex sentencing law as well as the continuing sentencing changes has increased the Department's need for closer communication with AG's Office. These law changes have prompted the need for legal advice as well as support to manage a greater volume of litigation as offenders challenge each and every provision of the new laws;
- Greater involvement from the AG's Office for revocation hearings in which they represent the Department before the Indeterminate Sentence Review Board. (ISRB)

Both the Department and the Attorney General's Office agree that providing a dedicated attorney will ensure consistency and provides the best cost efficient support to the Department. The Department's expenditures will increase by \$386,000 for the biennium, or \$193,000 each fiscal year.

Department of Information Services (DIS), \$2,280,000

Tailored Service for Mainframe Services: The Department's usage has increased due to the information management needs of maintaining two data systems. As a result, the Departments MIPS (Million of Instructions Per Second) usage has increased. Additionally, the Department need has increased usage of disk gigabyte storage and environments while managing dual systems. The Department is currently funded at 365 MIPS, the Department estimates it will be utilizing 465 MIPS (\$11,400 per MIP per Year) by Fiscal Year 2008 and which is estimated to be \$1.1 Million per year.

Yearly funding:	\$4,161,000
DIS estimated yearly billing :	\$5,301,000
Yearly Shortfall:	\$1,140,000
Estimated Biennial Shortfall:	\$2,280,000

Department of Personnel (DOP) \$100,000

The DOP provides human resource leadership and solutions to enable state government to deliver public service excellence. The DOP's Fund 415 is based on a rate applied to yearly classified salaries for each agency. DOP current rate is .65 however, DOP has informed the Department that it will increase to .70 in Fiscal Year 2008 and will remain at .70 for Fiscal Year 2009.

Yearly funding:	\$2,600,000
DOP's estimated billing (.70 rate) per year	\$2,800,000
Yearly Shortfall:	\$ 200,000
Estimated Biennial Shortfall:	\$ 400,000

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request is critical to agency activities, the strategic plan, and statewide results. The request ensures that the Department has the necessary resources to maintain current levels of service and performance.

This request is required to sustain agency activity: *Corrections - Core Administration*. The resources identified will be directed to support the agency objective to meet the business administration needs of the agency. The strategy is to deploy new business practices and technology systems. These objectives and strategies move the Department closer to meeting its high-level organizational goal meet the business practices and technology systems. This high-level goal is an intermediate outcome and helps achieve statewide results that improve the safety of people and property.

Performance Measure Detail

No measures were submitted for this package.

Reason for change:

This package is the result of increased charges for services from other Washington state agencies.

Impact on clients and services:

N/A

Impact on other state programs:

N/A

Relationship to capital budget:

N/A

Required changes to existing RCW, WAC, contract, or plan:

N/A

Alternatives explored by agency:

None. The Department is required to pay for these services rendered by other Washington state agencies.

Budget impacts in future biennia:

These increased costs would be carried into future biennia.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

Non-funding would result in the Department's inability to pay for services provided by these agencies.

Expenditure Calculations and Assumptions:

<u>Object Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
E Goods and Services	\$1,568,000	\$1,568,000	\$3,136,000